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<u>Proposed Initiative Enters Circulation</u> Personal Income Taxes. Collection. Procedures. Initiative Statute.

SACRAMENTO, CA --- Secretary of State Kevin Shelley announced today that the proponent of a new initiative may begin collecting petition signatures for his measure.

The Attorney General's official title and summary is as follows:

PERSONAL INCOME TAXES. COLLECTION. PROCEDURES. INITIATIVE STATUTE.

- Changes personal income tax law to permit child support deduction.
- Before tax lien or levy is permitted, court must find taxpayer was provided complete information and Franchise Tax Boards cooperated to resolve dispute.
- Bars increased liability for Board errors and delays.
- Prohibits attachments, seizures in excess of judgment amount.
- Gives taxpayer right to: installment payments; same auditor throughout audit; receive notices by registered or certified mail; lien removal 90 days after dispute resolution; records being kept at office nearest to taxpayer; rules and instructions written at 12th grade level; request court-ordered review.

The summary of the estimate by the Legislative Analyst and Director of Finance of the fiscal impact on state and local governments indicates that this measure would have the following major General Fund effects: reductions in state revenues from the deductibility of child support payments in the low tens of millions of dollars annually; and annual tax administration costs likely in excess of \$10 million annually.

The proponent, Thomas Lomax, must collect 373,816 signatures of registered voters, which is five percent of the total votes cast for governor in the 2002 gubernatorial election. The 150-day deadline to circulate petitions is September 17, 2004. The initiative proponent can be reached at 312 Munich Street, San Francisco, CA 94112. No phone number was provided.

For a copy of the complete text, title & summary, and circulation calendar, please contact the Secretary of State's Press Office at 916-653-6575.